

Administrative Services FY 2022 Budget Presentation

Tuesday, January 26, 2021
Infrastructure and General Government



Utah Department of
Administrative Services



Introduction

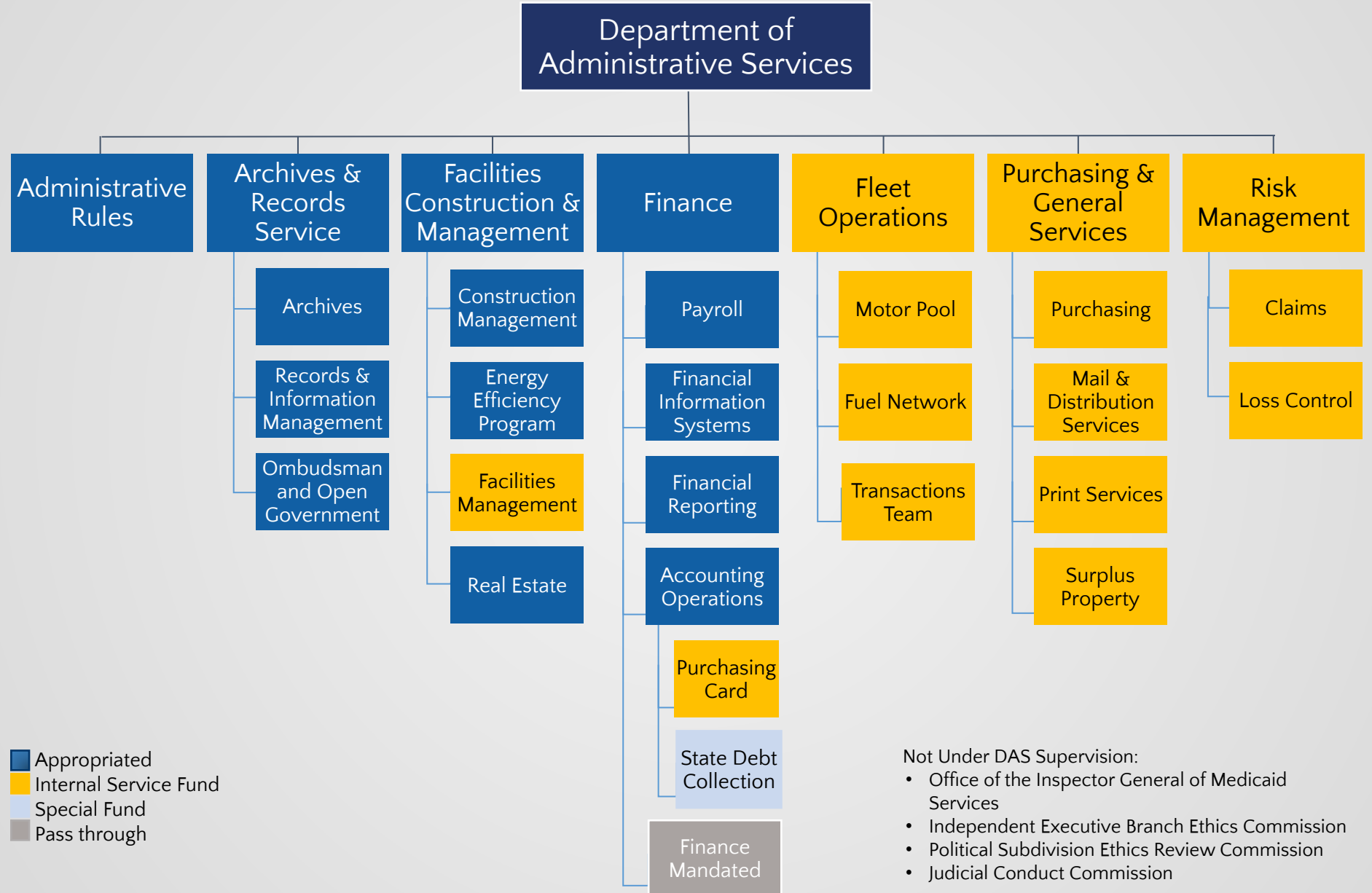
Challenges & Opportunities

Success Stories

Base Budget & Adjustments

Budget Requests

Conclusion



Challenges & Opportunities

2020 – That says it all!





Challenges & Opportunities

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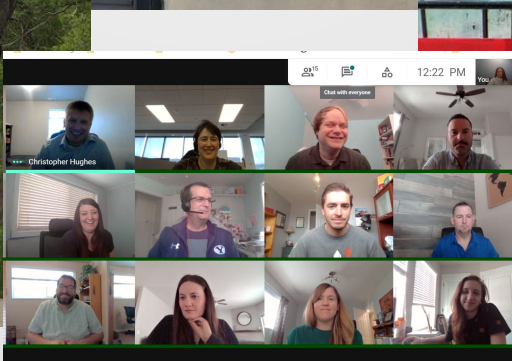
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Success Stories

2020 wasn't all bad





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Successes

- DFCM and Risk Management earthquake response
- Fleet Operations and Purchasing and General Services are working with customers to address new business models that have emerged
- Purchasing's established procurement relationships meant Utah was able to purchase Personal Protective Equipment (PPE)
- Purchasing created transparency with its dashboard -- <https://purchasing.utah.gov/covid-19/>
- DAS employees met the challenges of 2020

FY 2022 Base Budget & Adjustments

HB0006 (2021)



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DAS FY 2022 Base Budget

Program	Total Net Base Budget
Executive Director's Office	1,552,400
Administrative Rules	632,500
Archives and Records Service	3,351,500
Facilities Construction and Management - Administration	9,018,900
Facilities Construction and Management - ISF	40,519,600
Finance - Administration	11,223,400
Finance - ISF	612,500
Finance - Office of State Debt Collections	3,487,200
Fleet Operations - ISF	61,004,200
Purchasing - Administration	829,800
Purchasing and General Services - ISF	20,261,900
Risk Management - ISF	56,588,800
TOTAL	209,082,700



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Programs Outside DAS Authority

Program
Finance Mandated
Elected Official Post-Retirement Benefits Contribution
Finance Mandated – Ethics Commissions
Finance Mandated – Mineral Lease Special Service Districts
Inspector General of Medicaid Services
Judicial Conduct Commission
Post Conviction Indigent Defense
TOTAL

➤ The base budget for these programs total \$41,969,900



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Adjustments for FY 2021

Program	Dedicated Credits	Premiums	Other Funding	Total FY 2021 Adjustment
Facilities Construction and Management - Administration	1,200,000	-	-	1,200,000
Facilities Construction and Management - ISF	937,000	-	-	937,000
Finance - Administration (Payroll)	10,000	-	-	10,000
Finance - ISF	112,700	-	-	112,700
Risk Management - ISF	300,400	2,069,200	113,900	2,768,100
TOTAL	2,560,100	2,353,800	113,900	5,027,800



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Adjustments for FY 2022

Program	Dedicated Credits	Premiums	Other Funding	Total FY 2021 Adjustment
Facilities Construction and Management - Administration	1,200,000	-	-	1,200,000
Facilities Construction and Management - ISF	3,540,200	-	-	3,540,200
Finance - Administration (Payroll)	10,000	-	-	10,000
Finance - ISF	149,400	-	-	149,400
Risk Management - ISF	482,600	5,950,600	113,900	6,547,100
TOTAL	5,382,200	5,950,600	113,900	11,446,700

DAS Budget Requests

FY 2022

Finance FINET Upgrade
Open Records Portal and Public Notice Website Upgrade
Increased Earthquake Insurance



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-**FINET Upgrade**

-Open Records
-Earthquake
Insurance

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Budget Request Summary

Funded last session but later reversed due to COVID-19.

- Finance FINET Upgrade
- Open Records Portal and Public Notice Website Upgrades

New request for FY 2022

- Increased Earthquake Insurance



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FINET Upgrade

What is FINET

- State's budget and accounting system; the sole source of truth for state financial information
- Over 120 interfaces from 54 different state agency systems
- Processes over \$70 billion of financial transactions annually
- Initiates payments, tracks State assets, manages chart of accounts
- Repository of financial data provided to the public via the transparency website
- Services state agencies, public education, elected officials



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FINET Upgrade

Why Now?

2019	17 system failures
2020	59 system failures
2021 (first 25 days)	2 system failures



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FINET Upgrade

Benefits of a vendor-hosted cloud solution

→ Increased security and reduced system failures

→ Increased stability, disaster recovery, and failover

→ Regular updates protect data against cyber risks

→ Allows vendors to connect via web services and API connections



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FINET Upgrade

Options

10-year costs for states/counties with a similar upgrade	
Arizona	\$78.6 million
Maricopa County, Arizona	\$44.6 million
Michigan	\$89.4 million
Utah	\$41 million
Implementation of new system	
Idaho	\$102 million



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FINET Upgrade

Source	FY 2021 One-time	FY 2022 Ongoing	FY 2022 One-time
General Fund	\$2,500,000	\$1,500,000	\$4,300,000

- DAS requests \$8.3 million to upgrade the FINET application
- DAS will make an addition request next session for FY 2023 for approximately \$1.3 million ongoing General Fund



Open Records/Public Notice Upgrades

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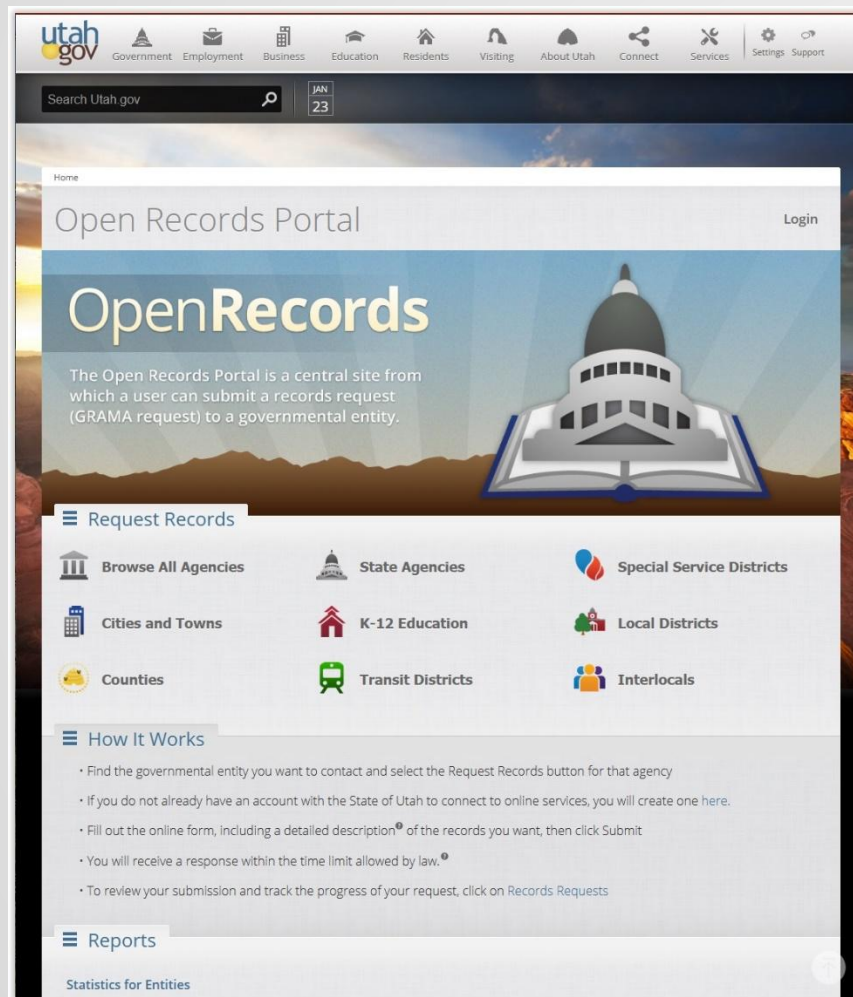
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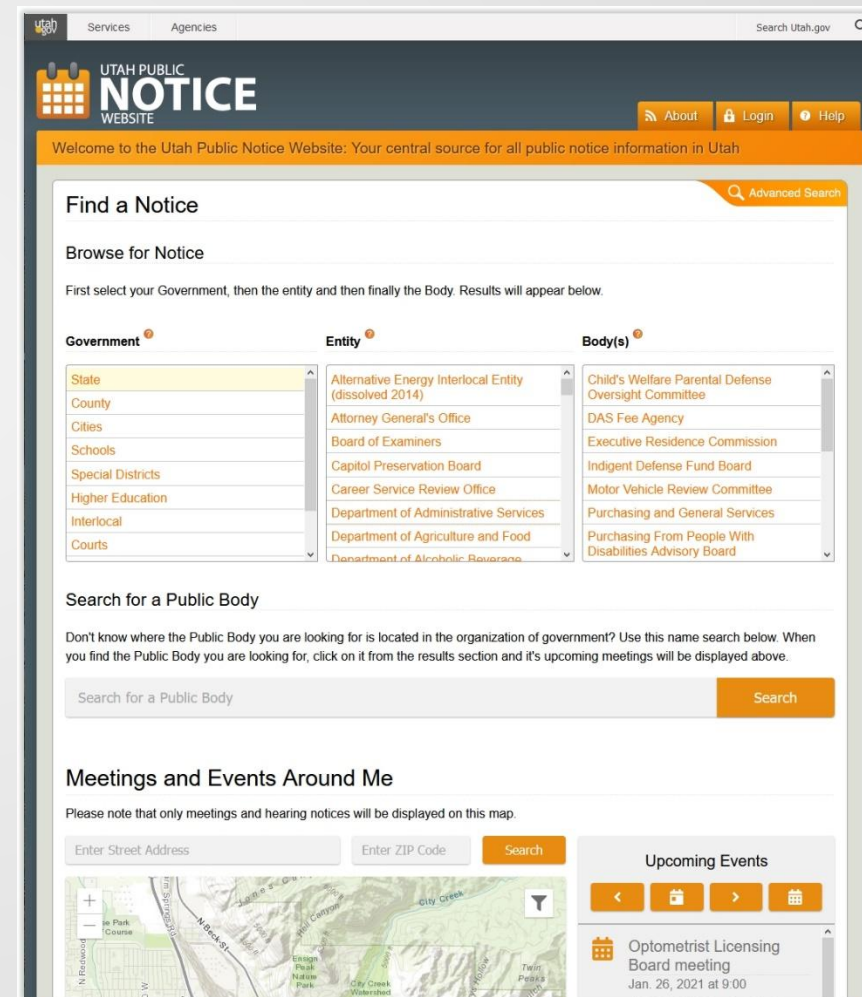
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<https://openrecords.utah.gov>



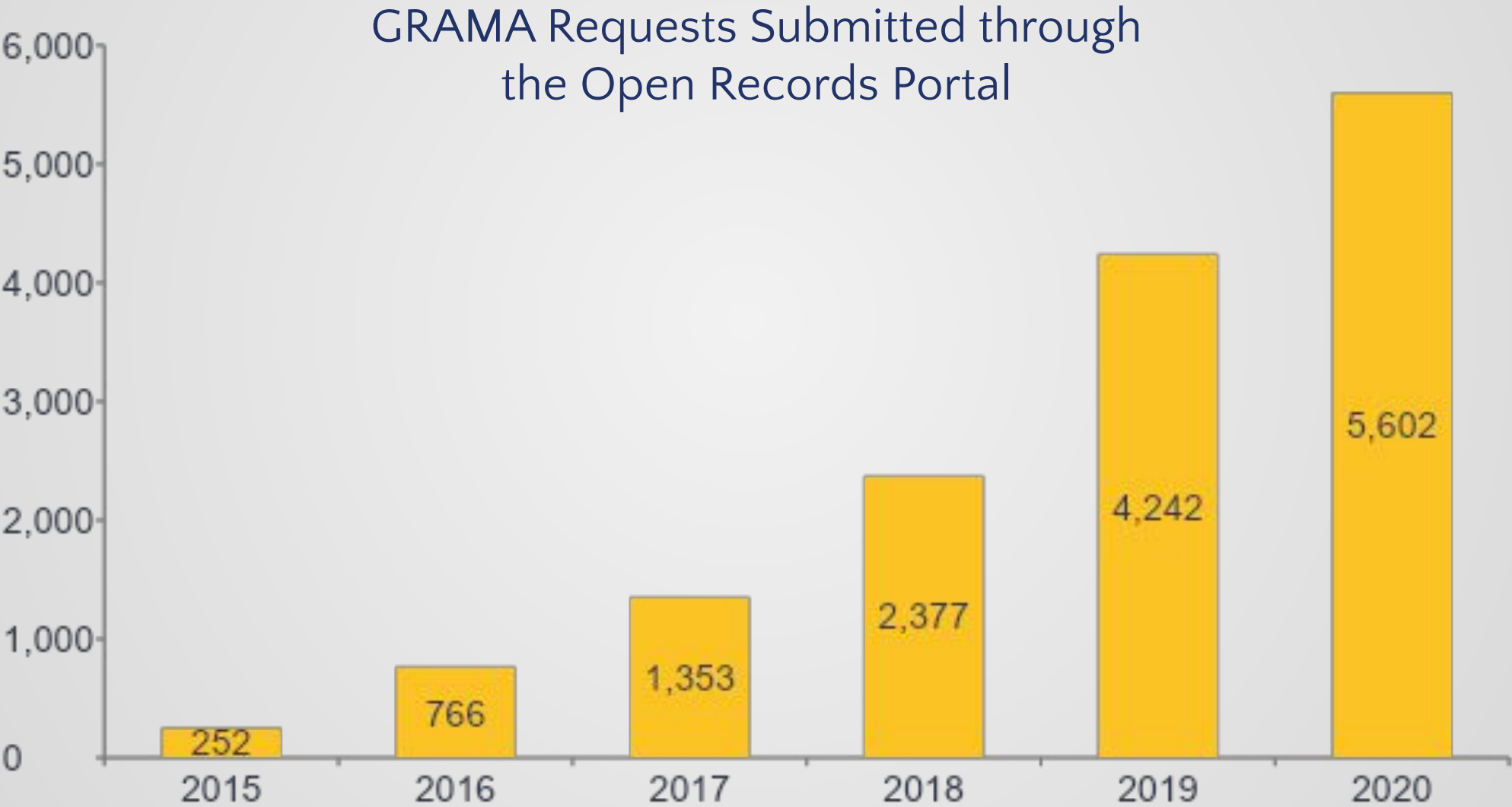
<https://www.utah.gov/pmn/>





Open Records/Public Notice Upgrades

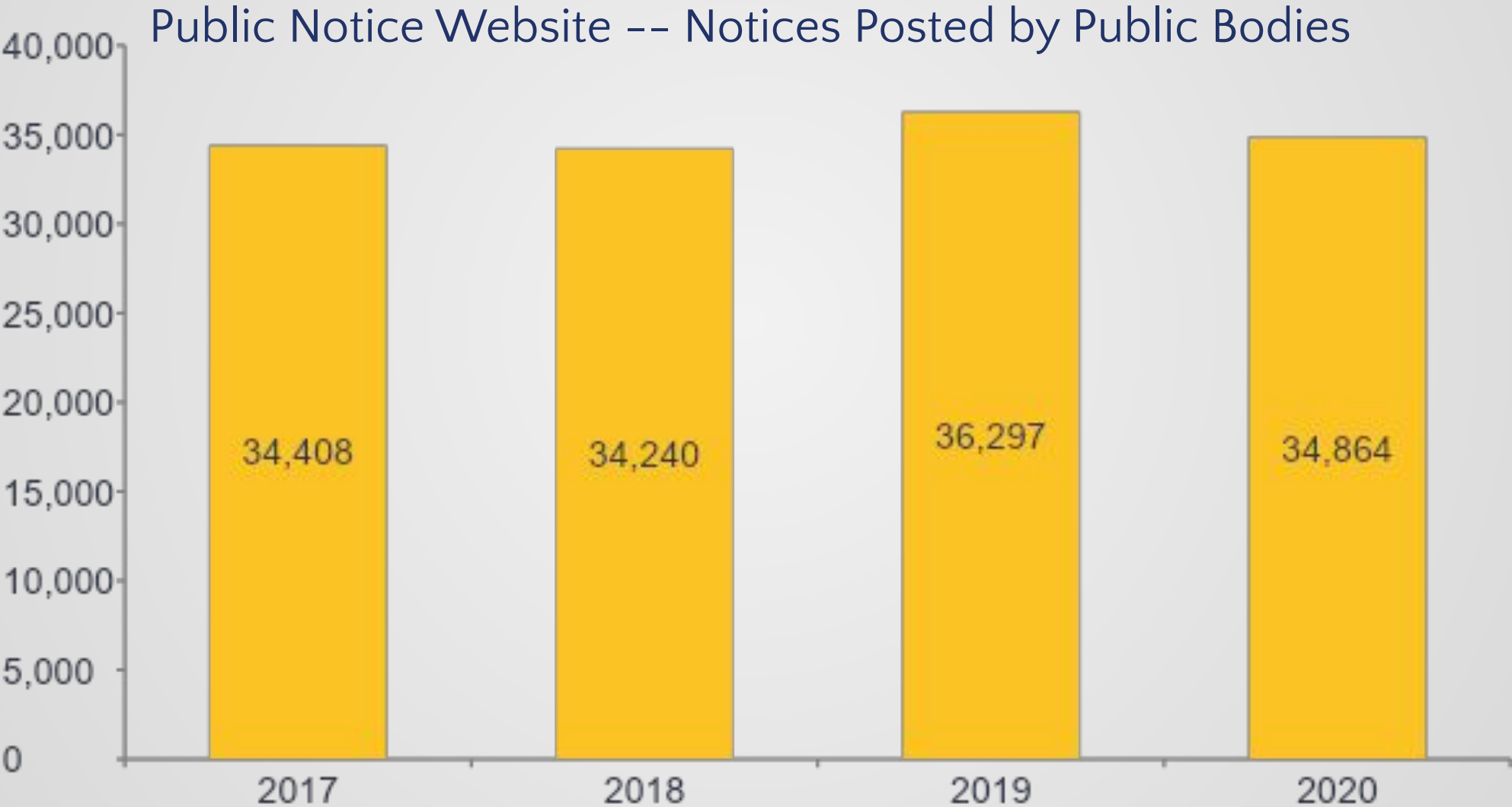
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Open Records/Public Notice Upgrades

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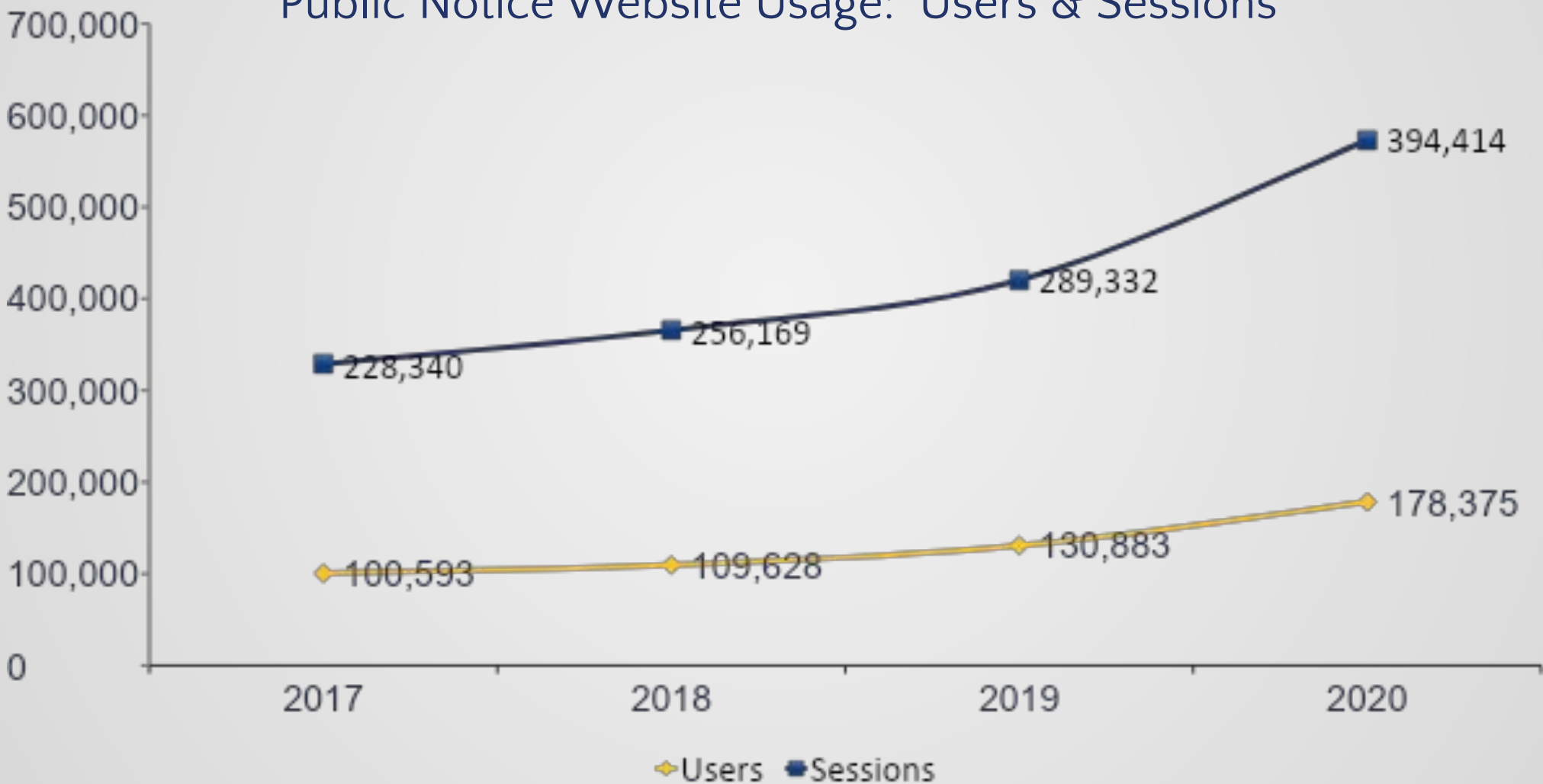




Open Records/Public Notice Upgrades

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Public Notice Website Usage: Users & Sessions





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Open Records/Public Notice Upgrades

Source	FY 2021 One-time	FY 2022 Ongoing	FY 2022 One-time
General Fund	\$0	\$0	\$100,000

- DAS requests \$100,000 one-time in FY 2022 to complete the integrated Open Records Portal/Public Notice Website project



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Increased Earthquake Insurance

Why?



- \$39 billion of buildings and property.
- 59% of Total Insured Value is concentrated on or near a major fault.



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Increased Earthquake Insurance

Current Coverage

- Deductible: 2% value of each damaged building with \$5 million minimum and \$25 million maximum
- Earthquake Limits: \$525 million per occurrence
- Annual Premium (FY 2021): \$16.4 million
- RMS and AIR modeling – Should be at \$1.82 billion



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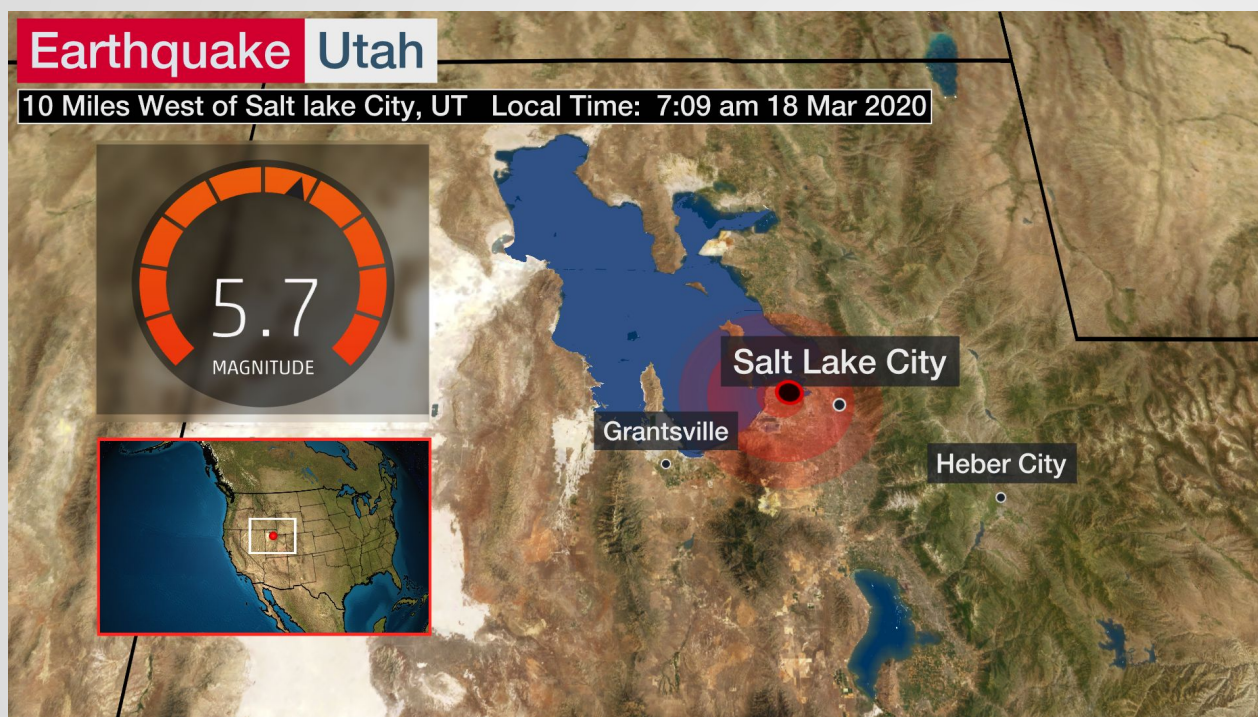
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Increased Earthquake Insurance



- \$65 million damages
- Deductible \$36,250



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Increased Earthquake Insurance

Estimated Cost of Additional Earthquake Insurance

- The commercial insurance market is currently constricted for CAT exposures
- Additional \$600 million in total earthquake limit for an additional estimated annual premium of \$15 million



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Increased Earthquake Insurance

Source	FY 2021 One-time	FY 2022 Ongoing	FY 2022 One-time
General Fund	\$0	\$15,000,000	\$0

- DAS requests approval of the Governor's Recommendation of \$15 million ongoing in FY2022 to provide additional earthquake insurance coverage bringing total earthquake coverage to \$1.125 billion

Conclusion





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Request

- Approve HB0006 Infrastructure and General Government Base Budget Bill
- Approve SB0008 State Agency Fees and Internal Service Fund Rate Authorization and Appropriations
- Approve the FINET, Open Records/Public Notice, and Earthquake budget requests
- Approve funding dedicated credit adjustments for FY 2021 and FY 2022

Thank You!

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